



Patrick H. Merrick, Esq.  
Director – Regulatory Affairs  
AT&T Federal Government Affairs

Suite 1000  
1120 20th Street NW  
Washington DC 20036  
202 457 3815  
FAX 202 457 3110

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**Via Electronic Filing**

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, SW  
Washington, DC 20554

Re: Notice of Ex Parte Presentation: Federal-State Joint Board on Universal Service, CC Docket No. 96-45; 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, CC Docket 98-171; Telecommunications Services for Individuals with Hearing Speech Disabilities and the Americans with Disabilities Act of 1990, CC Docket No. 90-571; Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, CC Docket No. 92-237, NSD File No. L-00-72; Number Resource Optimization, CC Docket No. 99-200; and Telephone Number Portability, CC Docket No. 95-116.

Dear Ms. Salas;

Yesterday, Brian Moir (e-commerce Telecommunications Users Group), Joel Lubin and Mark Lemler (AT&T), Mary Brown (WorldCom), and I met with Katherine Schroder, Chief, Accounting Policy Division, Anita Cheng, Rose Crellin, Paul Garnett, Gregory Guice, Jim Lande, Ken Lynch and Geoff Waldau of the FCC's Common Carrier Bureau. We reviewed the operational aspects of implementing a per line assessment mechanism and used the attached documents as an outline for discussion.

Consistent with the Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the proceedings.

Sincerely,

Attachment

cc: Meeting Attendees

# Operationalizing a Per Line Proposal

- Carriers file Form 499-Q by the beginning of the second month of each quarter (February 1, May 1, August 1, and November 1).
  - Form 499Q is revised to require carriers to file switched access line/telephone numbers counts as of the end of the previous quarter.
  - Only carriers that own the loop facility and/or spectrum are required to file Form 499-Q's.
  - Wireline Carriers would distinguish line counts by residence, single line business, multi line business and pay telephone lines

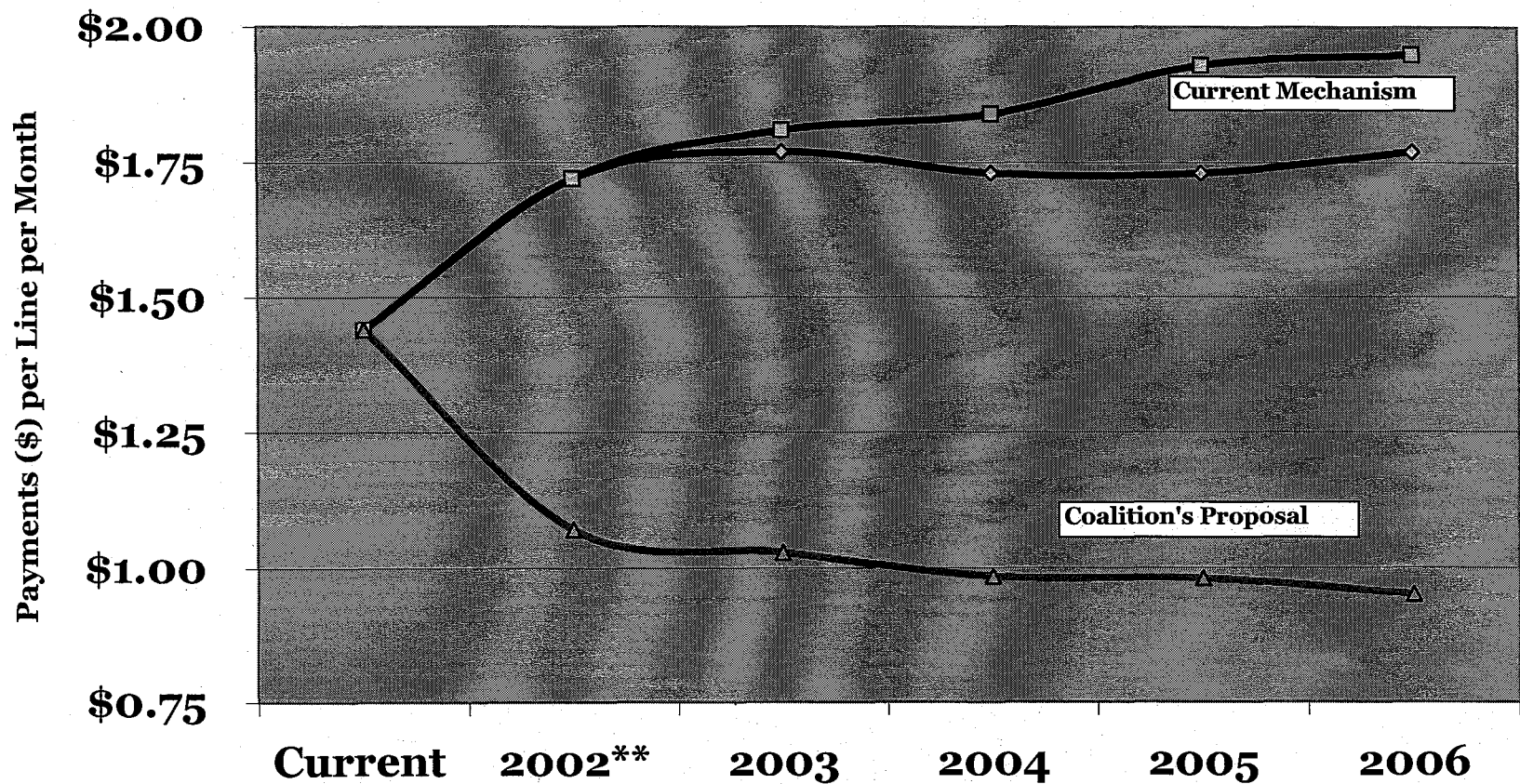
## Operationalizing a Per Line Proposal

- USAC calculates the appropriate flat-rate assessment for each market segment by dividing the projected USF funding requirements by the line-counts obtained from the previous Form 499-Q.
- Carriers contribute to USF based on a collect and remit basis – NPRM Para. 26

### SUGGESTED USF FILING SCHEDULE

| <b>Carriers File<br/>Form 499-Q</b> | <b>USAC /FCC approved<br/>assessment rate</b> | <b>Carriers apply USF to<br/>monthly billings</b> | <b>Carriers remit USF receipts to USAC</b>                                       |
|-------------------------------------|---|---|--|
| February 1 <sup>st</sup>            | February 30 <sup>th</sup>                     | April, May, June                                  | May 30 <sup>th</sup> , June 30 <sup>th</sup> , July 30 <sup>th</sup>             |
| May 1 <sup>st</sup>                 | May 30 <sup>th</sup>                          | July, August, September                           | August 30 <sup>th</sup> , September 30 <sup>th</sup> , October 30 <sup>th</sup>  |
| August 1 <sup>st</sup>              | August 30 <sup>th</sup>                       | October, November, December                       | November 30 <sup>th</sup> , December 30 <sup>th</sup> , January 30 <sup>th</sup> |
| November 1 <sup>st</sup>            | November 30 <sup>th</sup>                     | January, February, March                          | February 28 <sup>th</sup> , March 30 <sup>th</sup> , April 30 <sup>th</sup>      |

## Residential USF Contribution Under Various Scenarios



- ◆ Current Mechanism\* With 1% per Year Growth in the Contribution Base
- Current Mechanism\* With 4% per Year Decline in the Contribution Base to Reflect Recent Trend
- ▲ Coalition per line proposal

\* The Current Mechanism is a combination of "LEC Collection per Line" and "LD Collection Based on % of Customers Interstate and International Revenue"

\*\* Reflects increases associated with the MAG order, e.g. Interstate Common Line Support, SLC increases.